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**SUPPLEMENTAL ASSESSMENTS**

State law requires the Assessor's Office to reappraise property immediately upon a change of ownership or completion of new construction. The Assessor's Office must issue a supplemental assessment which reflects the difference between the prior assessed value and the new assessment. This value is then prorated based on the number of months remaining in the fiscal year, ending June 30th.

For example, if property is purchased on September 15th with a market value of \$150,000 and it has a prior assessed value of \$50,000 this will result in a supplemental assessment for the difference (\$100,000) prorated for the remaining months in the fiscal year ( 9 months from October through the following June):

|                |   |
|----------------|---|
| \$ 150,000     | New Purchase Price/Market Value         |
| <u>-50,000</u> | Prior Assessed/Taxable Value            |
| \$ 100,000     | Supplemental Assessment                 |
| <u>x 9/12</u>  | Remaining months in the Fiscal/Tax Year |
| \$ 75,000      | Supplemental Assessment                 |
| <u>x 1%</u>    | Tax Rate                                |
| \$ 750         | Supplemental Tax Bill                   |

This supplemental tax bill is in addition to the regular tax bill which is based on the assessed value as of March 1st of each year ( January 1st, effective 1997 and thereafter). If a second sale or transfer of the property occurs during the same fiscal year, but before the mailing of the first Supplemental Tax Bill, the taxes will be prorated between the owners by the Assessor's Office. If the date of the sale or transfer occurs between March 1 and May 31, a second Supplemental Assessment will be required for the next fiscal year.